

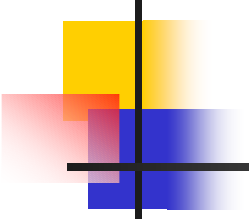
# Community Benefit An Overview



February 2008

## Wisconsin Hospital Association

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# Current Questions to Charitable Organizations

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- Rationale for charges
- Billing and collection policies
- Charity care policies
- Bad debt policies
- Executive compensation
- Joint ventures
- Fulfilling community benefit expectations

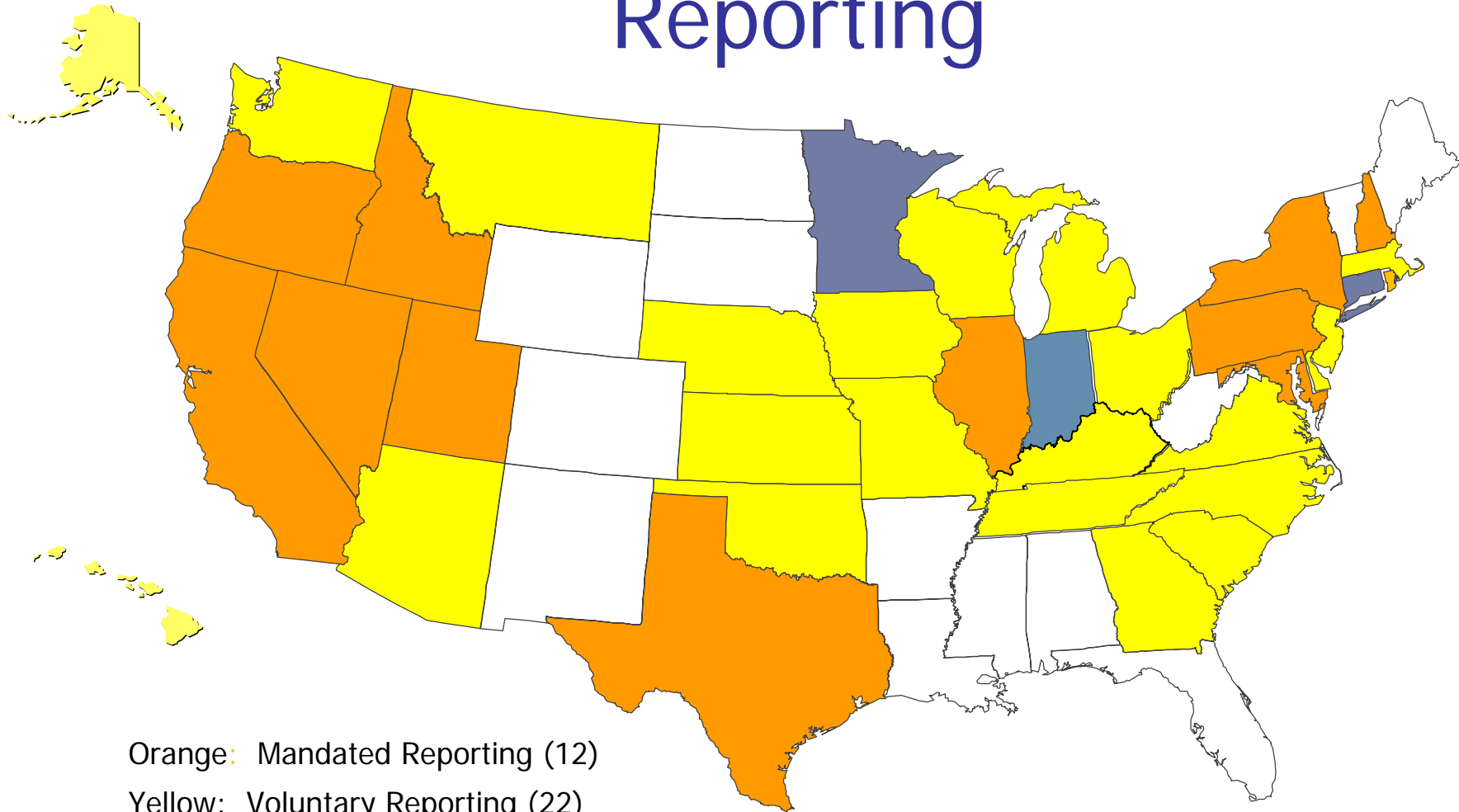
# Fulfilling Community Benefit Expectations



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- Unions
- Consumer groups
- Municipalities
- Congress
- Internal Revenue Service (IRS) interest
- Flex Program – Critical Access Hospitals
- State mandated and voluntary reporting

# States with Community Benefit Reporting



Orange: Mandated Reporting (12)  
Yellow: Voluntary Reporting (22)  
Blue: Both Mandated & Voluntary Reporting (3)  
White: no reporting (14)

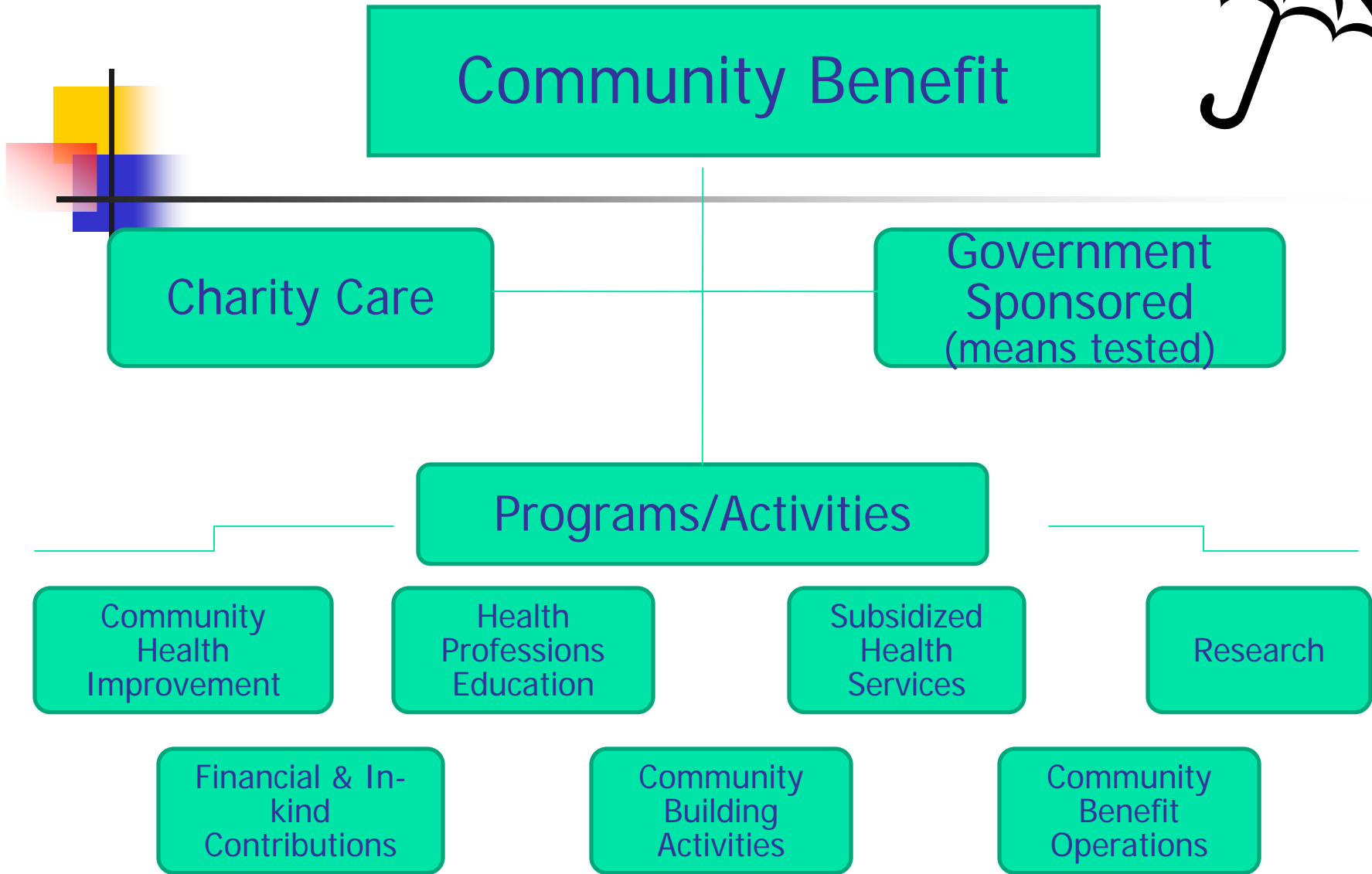
As of January 2008



# The Community Benefit Standard Revenue Ruling 69-545

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- Organized and operated exclusively for charitable purposes
- Promote the health of a class of persons broad enough to benefit the community as a whole
- Research and medical education, explicitly mentioned



Footnote Bad debt and Medicare shortfalls

# IRS 990 Schedule H

December 2007 Revised

**SCHEDULE H (Form 990)** **Hospitals** OMB No. 1545-0047  
**2008**  
 Department of the Treasury Internal Revenue Service **Open to Public Inspection**  
 ▶ To be completed by organizations that answer "Yes" to Form 990, Part IV, line 20.  
 Name of the organization \_\_\_\_\_ Employer identification number \_\_\_\_\_

**Part I Charity Care and Certain Other Community Benefits at Cost (Optional for 2008)**

	Yes	No
1a Does the organization have a charity care policy? If "No," skip to question 6a . . . . .	1a	
b If "Yes," is it a written policy? . . . . .	1b	
2 If the organization has multiple hospitals, indicate which of the following best describes application of the charity care policy to the various hospitals. <input type="checkbox"/> applied uniformly to all hospitals <input type="checkbox"/> applied uniformly to most hospitals <input type="checkbox"/> generally tailored to individual hospitals		
3 Answer the following based on the charity care eligibility criteria that applies to the largest number of the organization's patients. a Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing free care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for free care: . . . . . <input type="checkbox"/> 100% <input type="checkbox"/> 150% <input type="checkbox"/> 200% <input type="checkbox"/> Other _____ %	3a	
b Does the organization use Federal Poverty Guidelines (FPG) to determine eligibility for providing discounted care to low income individuals? If "Yes," indicate which of the following is the family income limit for eligibility for discounted care: . . . . . <input type="checkbox"/> 200% <input type="checkbox"/> 250% <input type="checkbox"/> 300% <input type="checkbox"/> 350% <input type="checkbox"/> 400% <input type="checkbox"/> Other _____ %	3b	
c If the organization does not use FPG to determine eligibility, describe in Part VI the income based criteria for determining eligibility for free or discounted care. Include in the description whether the organization uses an asset test or other threshold, regardless of income, to determine eligibility for free or discounted care.	4	
4 Does the organization's policy provide free or discounted care to the "medically indigent"? . . . . .	4	
5a Does the organization budget amounts for free or discounted care provided under its charity care policy?	5a	
b If "Yes," did the organization's charity care expenses exceed the budgeted amount? . . . . .	5b	
c If "Yes" to 5b, as a result of budget considerations, was the organization unable to provide free or discounted care to a patient who was eligible for free or discounted care? . . . . .	5c	
6a Does the organization prepare an annual community benefit report? . . . . .	6a	
b If "Yes," does the organization make it available to the public? . . . . .	6b	

Complete the following table using the worksheets provided in the Schedule H instructions. Do not submit these worksheets with the Schedule H.

Charity Care and Means-Tested Programs	(a) Number of activities or programs (optional)	(b) Persons served (optional)	(c) Total community benefit expense	(d) Direct offsetting revenue	(e) Net community benefit expense	(f) Percent of total expense
a Charity care at cost (from worksheets 1 and 3) . . . . .						
b Unreimbursed Medicaid (from worksheet 3, column a) . . . . .						
c Unreimbursed costs - other means-tested government programs (from worksheet 3, column b) . . . . .						
d Total Charity Care and Means-Tested Programs . . . . .						
<b>Other Benefits</b>						
e Community health improvement services and community benefit operations (from worksheet 4) . . . . .						
f Health professions education (from worksheet 5) . . . . .						
g Subsidized health services (from worksheet 6) . . . . .						
h Research (from worksheet 7) . . . . .						
i Cash and in-kind contributions to community groups (from worksheet 8) . . . . .						
j Total Other Benefits . . . . .						
k Total (line 7d and 7j) . . . . .						

For Paperwork Reduction Act Notice, see the Instructions for Form 990. Cat. No. 50192T Schedule H (Form 990) 2008

- Charity care policy
- Means tested government programs (Medicaid, SCHIP)
- Annual community benefit report
- Community benefit categories A,B,C,D,E,G



# IRS 990 Schedule H

December 2007 Revised

Form 990-Schedule H (2007)

## Part I Fundraising Information (Schedule H-990)

Complete this page to provide the following information.

1. Provide the description supplied for Part I, Line 1a; Part II, Line 1; and Part III, Line 1, and Part III, Line 2.
2. Describe how the organization measures the health needs of the community it serves. ("Health Assessment")
3. Describe how the organization informs and educates patients and providers who may be billed for patient care about their eligibility for assistance under federal, state, or local government programs or under the organization's charity care policy. ("Patient Education of Eligible Individuals")
4. Describe the community the organization serves, including relevant geographic area and demographic characteristics. ("Community Information")
5. Describe how the organization's community health activities, as reported on Part III, promote the health of the community the organization serves. ("Community Health Activities")
6. Provide a brief description of the organization's health care services (e.g., hospital care, ambulatory care, long-term care, etc.)
7. If the organization is part of an affiliated health care system, describe the organization's role in the system and its efforts to promote the health of the community it serves.
8. If applicable, identify all related entities that the organization, or a related organization, has a community health program.

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- Community needs assessment
- Communicate eligibility for assistance
- Description of community
- Other ways promote health of the communities served

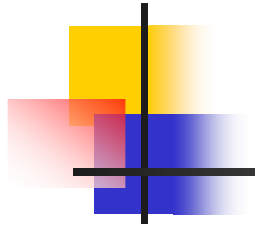
# Critical Access Hospitals Flex Monitoring



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## Community Indicators-ask about:

- same categories as Schedule H
- charity and discounted care
- mission statement
- community benefit resources
- community benefit planning process
- community needs assessment
- community partnerships



A systematic, consistent method of planning, evaluating and reporting community benefit.

June 2006

[www.chausa.org](http://www.chausa.org)

**COMMUNITY BENEFIT**

## A Guide for Planning and Reporting Community Benefit

*From the Catholic Health Association  
Developed in cooperation with VHA Inc.*

**Just Published, Order Your Copy Today**

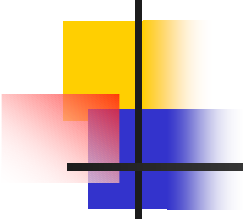
An essential resource that helps not-for-profit health care organizations develop, enhance, and report their community benefit programs.

**A critical tool for**

- Executive leaders
- Chief financial officers
- Sponsors
- Boards of trustees
- Community benefit professionals
- Staff in mission, finance, organizational planning, communications, and other offices involved with community benefit activities

**CHA**  
THE CATHOLIC HEALTH ASSOCIATION  
OF THE UNITED STATES

[www.chausa.org/communitybenefit/guide](http://www.chausa.org/communitybenefit/guide)



***Basic Steps in  
Community Benefit  
Planning and  
Implementation***

**Building a  
Sustainable  
Infrastructure**

**Planning**

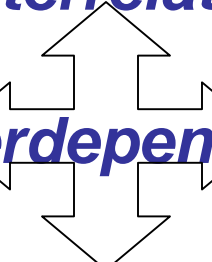
**Evaluating**

**Determining  
What Counts**

**Accounting  
For Costs**

**Communicating**

***Interrelated***



***Interdependent***

***Simultaneous***

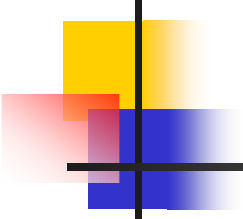
**CBISA Online™**

A Tool for Tracking Community Benefit Data



**Lyon Software**

**CBISA = Community Benefit Inventory for Social Accountability**



***Basic Steps  
Community Benefits  
Planning and  
Implementation***

**CBISA Data**

**WHA Reporting**

**IRS 990  
Schedule H**

**Flex Program  
Critical Access  
Hospitals**

**“Telling  
Your Story”**

**Everyday to Everyone**

**Communicating**



***Basic Steps in  
Community Benefit  
Planning and  
Implementation***

**CBISA Data**

**Building a  
Sustainable  
Infrastructure**



**Management  
oversight**

**Planning**



**Prioritize  
strategies**

**Evaluating**



**Impact?**